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Ottawa and After

By H. V. Hodson

WHEN the Ottawa trade agreements between the United Kingdom and the several Dominions were signed in August, 1932, a number of people thought that the five years' term placed upon them was needlessly, even perhaps dangerously, long for such detailed commercial arrangements. General principles of commercial policy like most-favoured-nation treatment may stand for centuries untouched, but once a country adopts a flexible protective tariff it may find itself uncomfortably restricted by standing pledges to its neighbours, the practical force of which may vary with changing circumstances. The unwisdom of long-term understandings was held by these critics to be all the greater on this occasion, in that Great Britain had raised her general protective tariff but a few months earlier, and had gained scarcely any experience either of the working of her tariff or of the potentialities of special trade agreements with foreign countries.

While it cannot be said that the Ottawa agreements have yet imposed any violent strain on the economic structure of the Empire or on the fiscal needs and opportunities of any of its member countries, the passing years have shown what immense changes can come about very quickly in the economic factors that form the background of any commercial treaty. We have only to think back to 1932 to realise how much the scene has altered. Then, although Great Britain had painfully rounded the corner, the world as a whole was in the tightest grip of depression, and even in Great Britain there was yet

little practical evidence of the improvement in her basic economic position. Prices were still falling. The international control schemes that have played so significant a part in the recent uprush of commodity prices were, for the most part, still in the future. The economic motto of the hour was *Sauve qui peut*; the aim of statesmen and experts, when negotiating commercial treaties or deciding their national tariff policies, was to buttress up what trade they could, rather than to launch out into constructive plans of creating new trade. It was a period when fear and suspicion dominated, and when the prime motive of external economic policies was to defend the volume of employment on the one hand and currency systems on the other.

True, the pound had already been allowed to seek its own level, and currency protection had become but a secondary motive within the sterling *bloc*. But the sterling *bloc* did not then include by any means all the nations represented at the Imperial Economic Conference, nor was its permanency assured. South Africa still clung to gold. Canada's currency remained a rather dejected pendant to the over-valued dollar. In the pound's own inner circle, the breakaway of the New Zealand currency to 20 per cent. discount on London had still to come. The water that has flowed under the monetary bridge since 1932 is a vital factor in determining the present-day conditions for a renewal of the Ottawa agreements. For the partners to the agreements can now assume international trade to be based on a measure of monetary co-operation and relative stability of exchanges extending over by far the greater part of the world. Since they last met in formal conference, the countries of the Commonwealth whose representatives will confer in London in 1937 will have been relieved of two grave preoccupations—currency strain and collapsed price levels—and to a great extent of a third also—crisis unemployment. The Ottawa Conference was forced to whistle to keep its spirits up; its successor can pipe a very different tune, a tune of advance, of opportunity, of hope. Clearly this applies most decisively to questions of capital investment and of migration, both of which had to be completely shelved in 1932.

In still another way the scene has changed, and the Ottawa agreements have become out of date. Empire Governments have changed, and their policies with them. In Australia, Mr. Lyons has been obliged to take the Country party (with

its aim of lower tariffs) into coalition with the more protectionist-minded United Australia party. An experiment in a new system of protectionism, which soon involved a trade war with Japan, has taught the Dominion some sobering lessons. In South Africa the new Hertzog-Smuts Fusion has replaced the former party Administration, a metamorphosis of less significance in this connection than the accompanying change in the Union's fortunes, based on the high price of gold. South Africa has become the very type and example of a boom country to-day.

In New Zealand the Forbes-Coates coalition has given way to a Labour Government with strong ideas of its own on the industries of the Dominion and its external trade. The economic policy of Mr. Savage and Mr. Nash is based internally on the idea of the guaranteed price, externally on the idea of organised reciprocal trade. Part of the internal programme is already in operation—for instance, the New Zealand Government is to-day the sole owner of all butter and cheese exported from the Dominion, having bought it at an established price from the farmers. The marketing is still done through ordinary trade channels, but Mr. Nash is in London for the purpose of persuading the British Government to allow New Zealand an extended and specially favoured market in Great Britain in return for the extended and specially favoured market he is prepared to offer to British manufactures in New Zealand. His handicap is that even at best New Zealand is too small a market for us to risk prejudice with other customers of ours, Empire and foreign. The important thing is, however, that Mr. Nash is ready and anxious to go further than the Ottawa arrangements in mutual concessions. The same may be said of Mr. Mackenzie King's Government in Canada, the substitution of which for Mr. Bennett's protectionist régime was the most significant political change of all, as far as the future of the Ottawa agreements is concerned. Rightly or wrongly, to those who hoped for a real breaking-down of Empire trade barriers Mr. Bennett was the compelling force of the Ottawa Conference. Mr. Mackenzie King signalled his return to office by negotiating a comprehensive trade treaty with the United States. Of course, the Ottawa preferences for Great Britain have been preserved; at the same time the Canadian-American treaty allowed us to expect that still more liberal terms of trade in Canada might be forthcoming in exchange for advantages to

Canadian trade in the British market, while giving an open hint that the British market might not be indispensable if other countries were prepared to give Canada profitable terms. It was against this background that the recently reported Anglo-Canadian trade agreement was negotiated, as part of the preparation for the forthcoming Imperial Conference.

The United Kingdom herself has made since Ottawa a number of trade treaties with foreign countries, notably with the Scandinavian group and Argentina. To some extent these pacts have "conventionalised" her tariff system, i.e., have made it as rigid as a series of international treaties rather than as flexible as the decisions of a Government or a Tariff Board. This makes it more difficult to alter it in favour of the Dominions. The obligations to the Dominions, however, have themselves been the dominant factor in Great Britain's commercial policy; in dealing with foreign countries she was restricted by the degree of "conventionalising" that her tariff had already undergone as a result of Ottawa. In so far as she found this to be a handicap in making favourable terms with foreign countries, she will be wary in renewing or amending her pledges to the Dominions. The problem of her commercial policy is to-day at once more complicated and better illumined by experience than it was in 1932.

Apart from trade treaties with foreign countries, experience under the Ottawa agreements concerns the development of Dominion protection for manufacturing industries on the one hand, and on the other the development of United Kingdom protection for agriculture. The agreements consisted partly of an exchange of specific concessions, partly of a pact on principles. To analyse the working out of the specific preferences that were mutually guaranteed is not possible within the scope of this article; one can only say that the experts from the Board of Trade and the Dominion tariff departments will have all the material at hand for deciding in what direction alterations may be made for mutual satisfaction. But more interesting for the general observer, and more important in the long run, was the understanding reached at Ottawa on the general principles that henceforward should govern trade among the self-governing members of the Commonwealth. The essence of this understanding, which, though veiled, was unmistakable, was the continued free entry of Dominion primary foodstuffs and raw materials into the United Kingdom market, in return for a

guarantee (given by Canada, Australia and New Zealand) that Dominion tariffs on British goods would be no higher than would assure efficient producers an opportunity of competing on level terms, having regard to differences in costs of production. In so far as the result of Ottawa was anything beyond a series of *ad hoc* trade conventions, this was the permanent system for Empire trade that was intended to be established.

The working out of the intended system in practice has brought disappointments to both parties. On the one hand, the theoretical defects of the formula which appears in the undertakings of Canada, Australia and New Zealand soon betrayed themselves when it came to carrying them into effect. Costs of production could not be ascertained, because they varied with accounting methods, from firm to firm and from time to time. And if the proper tariff was one that exactly compensated for differences in costs of production, it would automatically stultify competition, and would make the rate of duty highest just where the claim to trade was greatest, on the strength of relative competitive efficiency. It is generally true to say that the effectiveness of the Ottawa formula for maximum Dominion tariffs has depended less upon its own inherent worth than upon the rule-of-thumb policies of Dominion tariff boards and the political attitudes of the Dominion Governments. This is not to despise the tariff reductions that have been achieved in the name of the Ottawa formula; but they have been most comprehensive in Australia, where the Tariff Board, having stated that the formula merely reiterated their own established policy, proceeded to interpret it in a very rough-and-ready fashion with little regard for a legalistic interpretation of its terms. It so happens that circumstances have brought into office in the Dominions, during the currency of the agreements, a collection of Governments none of which is wedded to extreme protection. That has been a piece of good luck for the application of the Ottawa tariff formula. But the fate of that formula, if the future were to bring the opposite combination of circumstances, might easily be to furnish an excuse for levels of duty higher than those subsisting before the Ottawa Conference, and certainly to disguise a reluctance to make any real concessions in favour of the British exporter.

On the other side of the bargain, from a free trade point of view it was fortunate that Great Britain obliged herself to declare her basic policy for imperial trade in primary products

before her agricultural protectionism had had time to grow to maturity and to feel its strength ; from an agricultural protectionist point of view, on the other hand, it was equally unfortunate that she should have tied her hands against imposing straight tariffs on foodstuffs from Empire sources before she had even seen how her general tariff system was going to work out. The reader may take his choice. The fact is that at Ottawa Great Britain pledged herself not to impose import duties on the generality of foodstuffs and raw materials sold by the Dominions and colonies. She did this for three reasons. The first was the strength partly of the economic and political bargaining power of the Dominions and her own over-riding desire to make an agreement with them. Next, the British policy of protection had had to be smuggled in under cover of promises not to tax the people's food. The final reason was the genuine conviction of some of her political leaders that it was the best policy for all concerned. The result was that a start was made with an alternative system of protection of British agriculture by means of import quotas. The history of the working out of this device is the most illuminating possible commentary on the Ottawa pacts in practice.

The first phase—really an afterthought to the Ottawa Conference itself—was the consolidation of the system through subsidiary agreements (the Convention with Argentina and the corresponding understandings negotiated with the Dominion Governments). The next phase, which began almost at once, was the attempt to extend the system by obtaining the assent of the Dominions, first, to import quotas for dairy products, and then, as the existing agreements expired, to the curtailment of their supplies of beef, which had escaped the full measure of restriction as applied to mutton and lamb. The attempt was a failure, for two main reasons : on the one hand, the restrictive quota system became increasingly unpopular at home, as farmers jibbed against the administrative paraphernalia of an organised market and clamoured for an old-fashioned tariff, and as the general public saw the effects of a device that raised the price of their food, putting their money into the pockets, not even of the home Exchequer, but of the oversea producer who was paid more for selling less. On the other hand, the Dominions dug their toes in against the spread of a system that they had consistently opposed in principle as applied to them-

selves, though they had no objection to its being tried on the foreigner. Restriction, said such spokesmen as Mr. Bruce or Mr. Coates, meant stifling the natural expansion of the Dominions; it meant riveting the heavy overheads of development expenditure on a narrow instead of an ever-broadening base; it meant, in effect, that they were being deliberately prevented by their creditor from paying in the only way possible—in goods—the service of the debts they owed him.

Nothing is more striking in the story of post-Ottawa negotiations in the Commonwealth—and there have been almost continuous trade talks in London with High Commissioners or visiting Ministers—than the successful bargaining power of the Dominions. And at no time was it more plainly seen than in the next and latest phase in the development of British agricultural protectionism, the phase in which Government policy veered from quotas to the device of an import levy which is used directly or indirectly as a means of paying for a subsidy to the home producer. When this device was first mooted for meat—or rather for beef, since mutton and lamb had been placed in a fairly satisfactory position, as far as price was concerned, by the control of imported supplies—there was talk of a tax of a halfpenny a pound on Empire beef and a penny a pound on foreign beef. At the end of protracted consultations with representatives of the Dominions last summer, it was announced that there would be no tax on Dominion beef at all, and the latest version of the Anglo-Argentine trade pact imposes a duty of only ¾d. a pound on chilled beef and two-thirds of a penny a pound on frozen. Moreover, Argentina is guaranteed that her beef exports will not be reduced by more than 5 per cent. of their current volume, and even this limited reduction is not to take full effect for three years. As already agreed, there will be no curtailment at all of Dominion beef supplies. The discussions for a renewal or alteration of the Ottawa agreements will thus begin on a footing of far greater freedom of trade in foodstuffs entering the United Kingdom market than seemed likely in the earlier stages of development of British agricultural policy.

This in itself is a matter for congratulation. The economic merit of Empire preferential arrangements, from the point of view of the general public, lies in their capacity to " clear out the channels of trade "—in Mr. Baldwin's famous phrase at

Ottawa—while their danger lies in the temptation they offer to extend preferences merely by putting up higher tariffs against the foreigner, while doing nothing to reduce barriers to trade within the Empire. The results of Ottawa were a compromise between these two conflicting tendencies, and the struggle between them still goes on, to be renewed, no doubt, with extra vigour when the Imperial Conference actually meets later in the year. Unfortunately it is next to impossible to tell from the statistics which of them was dominant in the actual effects of Ottawa; for the figures are influenced by a great many other factors, some of which, like world recovery and the rise of prices, are far more powerful than any adjustment of tariffs in the Commonwealth whether upward or downward. The consequences of Ottawa cannot be isolated from the consequences of currency realignments, changing price levels, the pursuit of self-sufficiency by foreign countries, and other outside forces. But for what they are worth here are figures showing the changing direction of trade in the United Kingdom and the Dominions, as between the Empire and foreign countries. It will be remembered that, generally speaking, the changes made under the Ottawa agreements went into force in November, 1932.

EMPIRE TRADE AS PERCENTAGE OF TOTAL TRADE OF EACH MEMBER OF THE EMPIRE.

	1930	1931	1932	1933	1934	1935
	I. Imports from the Empire					
into	%	%	%	%	%	%
United Kingdom ...	29·1	28·7	35·3	37·0	37·1	37·8
Canada	22·6	24·2	28·3	33·1	30·6	31·6
Australia*	53·3	52·1	54·9	56·9	58·1	57·5
New Zealand ...	68·6	70·2	71·8	74·0	73·5	73·5
South Africa ...	57·8	56·7	57·4	59·8	58·6	57·2
British India† ...	51·7	46·2	44·8	44·7	50·1	49·5
	II. Exports to the Empire					
from	1930	1931	1932	1933	1934	1935
	%	%	%	%	%	%
United Kingdom ...	43·8	43·7	45·3	44·5	46·8	48·2
Canada	35·8	36·5	44·1	48·0	51·3	51·8
Australia*	56·4	54·4	58·6	56·6	55·4	62·5
New Zealand ...	91·4	93·2	93·9	91·4	87·5	89·6
South Africa ...	59·7	62·4	57·7	52·4	55·7	54·2
British India† ...	35·4	39·4	43·7	45·0	46·3	45·4

* Years ended June 30th.
† Years ended March 31st.

An inspection of this table points to several facts as outstanding. First of all, the most sudden and remarkable

change of all, the rise in the Empire's share of United Kingdom imports, took place chiefly between 1931 and 1932, and therefore is to be ascribed far more to the protective tariff itself and the depreciation of sterling than to anything that happened at the Ottawa Conference, unless the confirmation of the protective tariff is to be taken as a result of Ottawa. Second, although the ratio of Empire trade to trade with foreign countries is still appreciably higher on the export side than on the import side of the United Kingdom's account, the disparity has been much reduced since 1931. This fact has been interpreted by some observers as showing that the combined effect of the protective tariff, the quota system and the Ottawa agreements was more favourable to the Dominions than to the Mother Country; but the intervention of other factors makes it highly dangerous to leap to any such conclusion. Third, the percentages have become fairly well stabilised in the latter part of the Ottawa agreements' life—an indication that the effect of the agreements in stimulating trade generally has also spent itself, and that the time is ripe for a further effort to promote world trade through a liberation of Empire trade.

That being so, the Governments of the Empire could do far worse than choose as the guiding text for their negotiations this year the words used by Mr. Baldwin at the opening of the Ottawa Conference. "There are two ways in which increased preference can be given—either by lowering barriers among ourselves or by raising them against others. The choice between these two must be governed largely by local considerations, but subject to that it seems to us that we should endeavour to follow the first rather than the second course. For however great our resources, we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us, therefore, aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere." Certainly the purpose of lowering trade barriers was not fully achieved at Ottawa, but 1937 offers a fine opportunity for pursuing it afresh, under conditions much more favourable to success than in those days of depression.

January 19th, 1937. H. V. HODSON.

Notes of the Month

The Money Market.—The disturbances caused by the heavy Christmas currency withdrawals from the banks and the preparations for the end of the year are now over, and the money market has returned to the easy conditions which prevailed last November. Discount rates are once more ½ per cent. for Treasury bills, and $\frac{17}{32}$–$\frac{9}{16}$ per cent. for three months' bank bills, so that the suggestions of dearer money inspired by the December rates of practically 1 per cent. are now no longer heard. The first three months of the year is the period of heavy tax collection, and so of a surplus of revenue over expenditure; and this surplus is usually applied to the redemption of Treasury bills. January this year has proved no exception to this general rule. Between December 26th and January 30th, the total of tender issues of Treasury bills was reduced from £614 to £560 millions, and weekly allotments of £30 millions of bills have lately been customary in place of allotments of £50 millions during most of December. This curtailment of supplies has inevitably raised the price at which each week's bills were placed, until recently the average rate of discount at the week's tender has been little better than the bank's minimum rate of ½ per cent. for short loans against Treasury bills. On one Friday, at least, the discount market secured very few bills, as the bulk of the issue was taken elsewhere.

To some extent, therefore, the present low level of discount rate is seasonal, and so too much should not be deduced from it. Nevertheless, from a wider standpoint there is no immediate likelihood of dearer money. It is true that as the demand for bank advances increases, the banks may in time have to curtail their bill holdings, but on the other hand the authorities have many ways of expanding the supply of credit if they so desire. With the prospect of heavy defence expenditure in the near future, it seems reasonable to assume that the official desire will be to keep credit cheap and plentiful, always assuming that the present rise in commodity prices does not become too rapid or unbalanced, or reach the point where it begins to drag up the cost of living, wages, and production costs.

The Foreign Exchanges.—January has been a very quiet month in the London market. Apart from minor fluctuations, the New York rate has been very steady. Some interest has

been aroused by the steady flow of gold from the London bullion market to the United States. Probably this is due to private purchases on American account, but it may be assumed that neither the British nor the American exchange authorities have shown any desire to check it. One point which has been made is that these gold shipments will provide a useful "cushion" against the effect on the exchange of the repayment of the balance of the United Kingdom 5½ per cent. dollar bonds, due at the end of January. The Paris rate has remained pegged by the French authorities at Frs.105·15 to the pound, but some anxiety is felt over the outlook, and so the increase in the French bank rate from 2 to 4 per cent. on January 28th was hardly surprising. This was followed by the announcement on January 30th that the French Treasury had raised in London a 3½ per cent. loan of £40 millions for the benefit of the railways. This had little effect on the pressure against the franc, as the rumours persist that the Government is contemplating the depreciation of the franc to the lower statutory limit of 43 milligrammes of gold to the franc, fixed by the devaluation legislation of last October. Calculating from the American gold price of $35 per ounce and the current rate between sterling and the dollar, this last change would raise the Paris rate for sterling to about Frs.112. Dutch guilders have been very strong, and to prevent an undesired appreciation the Dutch Exchange Fund has had to buy so much gold that in January it had to sell gold to the Netherlands Bank in order to replenish its stock of guilders. This last sale follows similar sales made in December. The other important development in the foreign exchange market was the imposition of fresh exchange restrictions by the Japanese Government, as from January 8th. The object of these restrictions was to support the yen against pressure due to abnormal imports made in forestallment of the higher customs duties which are to come into force next April. Some misgivings were aroused in London by the fact that the restrictions applied to forward yen positions open on January 8th, but in the majority of cases payment was effected without any difficulty. The restrictions take the form of making most exchange operations subject to the permission of the Finance Minister, and so everything depends upon how he grants his permits.

The Stock Exchange.—Markets have been rather subdued since the New Year. There has been a slow decline in the gilt-

edged market, which between January 1st and 27th amounted to about 1·5 per cent. The prospect of a defence loan is beginning to overshadow the market, but the main cause of the decline has been an almost complete absence of buying. There were also rumours of official selling of securities, but it is doubtful if they possess much substance. In the foreign bond market, German issues improved towards the end of the month, mainly on the thought that the international political outlook was better, but it is difficult to find any really solid basis for this rally. Home rails have been weaker. The recent wage negotiations have inspired fears of a rise in costs during the current year, especially as fuel costs are also likely to advance. Argentine rails have been more active on better traffic returns, but price movements were irregular, partly because of the conflicting news regarding the Argentine Government's proposal to buy the Cordoba Central Railway. The industrials market has also been weak. The fall in prices has not been serious, but it leaves the impression that many operators felt that last year's increases had discounted the trade revival and that yields in many cases had become too low. Even such favourable announcements of company results as were made during the past few weeks have had little effect on prices. Gold and base metal mining shares were on the whole good, but rubber shares were hesitant on the news of the strikes in the American motor industry. Oil shares improved, partly on the increase in the price of petrol, but tea shares were dull.

Overseas Trade.—The trade returns for November and December of the past two years are summarised in the following table. All figures are in millions of pounds :—

	1935		1936	
	Nov.	Dec.	Nov.	Dec.
Imports	71·5	74·4	78·7	83·7
British Exports ...	39·4	34·9	38·4	40·5
Re-exports ...	4·6	5·4	4·3	6·1
Total Exports...	44·0	40·3	42·7	46·6
Import Surplus	27·5	34·1	36·0	37·1

The December exports were unexpectedly good. In both 1934 and 1935 the December exports were less than those of November, but in 1936 there was an increase of £2·1 millions. Comparing December, 1935 and 1936, there was an increase of £5·6 millions. Coal shipments showed little improvement,

except in the case of those to France, which rose by £150,000. Exports of British manufactured goods increased by £4·1 millions. This improvement was well spread over all categories, and included increases of £351,000 in exports of iron and steel; £666,000 in those of cotton yarn and cloth; £406,000 in those of woollen and worsted yarns and manufactures; and £738,000 in those of vehicles (including locomotives, ships and aircraft, as well as motor vehicles). December, 1936, imports showed an increase of £9·3 millions over those of the previous year. This increase was fairly equally divided between the three main groups of food, raw materials and manufactured goods, the outstanding increases being in imports of grain and wool. Here the rise in the prices of wheat and wool is largely responsible. The returns for the complete years 1935 and 1936 are summarised below :—

Description.	Year 1935	Year 1936	Increase (+) or Decrease (–)
	£mn.	£ mn.	£ mn.
Total Imports	756·0	848·9	+92·9
Retained Imports	700·7	788·5	+87·8
Raw Material Imports	212·3	248·2	+35·9
Manufactured Goods, Imports... ...	184·5	212·9	+28·4
Total Exports, British Goods	425·8	440·7	+14·9
Coal Exports	31·6	29·3	– 2·3
Iron and Steel Exports	36·0	36·0	—
Cotton Exports	60·2	61·5	+ 1·3
British Manufactured Goods, Exports	328·8	340·9	+12·1
Re-exports	55·3	60·4	+ 5·1
Total Exports	481·1	501·1	+20·0
Visible Trade Balance	–274·9	–347·8	–72·9

As a result of the improvement in December exports, the adverse trade balance for the complete year is a little less than might have been expected. It is £348 millions, against £275 millions in 1935, so that it has increased by £73 millions. Against this increase, the balance of payments calculations will probably reveal an improvement in invisible exports, such as the earnings of British shipping and the returns on our overseas investments, but it will hardly be sufficient to leave us with a net favourable balance as we had in 1935. On the other hand, the world increase in the prices of primary products has begun to restore the purchasing power of many of our chief export markets, and so there is hope of an improvement in our export

trade during the current year. The main doubts are whether foreign countries will feel able to relax their existing trade and exchange restrictions and whether British manufacturers will be prepared to accept additional export orders so long as the present home demand for British goods persists.

Commodity Prices.—The advance in British wholesale prices continued up to the third week of January, but since then some irregularity has developed with a slight average decline. Wheat and maize both fell in price during the last half of January. Among textiles, cotton was firm but wool prices were a shade weaker towards the end of the month. There were also declines in non-ferrous metals during the last week of January. It looks, therefore, as if the rapid rise in wholesale prices, which began last May and amounted in all to 25·6 per cent., has for the moment been checked. A similar impression is given by the latest American wholesale price index numbers, but French wholesale prices continue to rise.

The official British cost-of-living index number for January 1st was 51 per cent. above pre-war, or the same as at the beginning of the previous month. Normally there is a slight seasonal decline during December, but on this occasion it has not taken place. The cost-of-living index is now also 2·7 per cent. higher than a year ago. This is a very insignificant increase in comparison with the 12·5 per cent. rise in wholesale prices during 1936. Retail food prices on January 1st were 36 per cent. above pre-war. This index again remained unchanged during December, in spite of a normal tendency towards a seasonal decline. The total advance in retail food prices during 1936 was 3·8 per cent., compared with one of 16 per cent. in wholesale food prices.

Home Reports

The Industrial Situation

Home trade continues to make progress, and the *Economist's* index number of general business activity reached a new high record in December. The total number of insured persons at work in that month was 11,132,000, or an increase of 12,000 since November. This last increase has occurred in the face of interruption to outdoor work in December owing to bad weather, and it was well spread over a number of important industries, including coal mining. The January reports from the chief industrial centres, summarised in the following pages, show that the improvement is continuing. The heavy industries remain active, so much so that the lack of raw materials and skilled labour is becoming a more insistent problem than before. There is also an improvement in many of the staple industries, which manufacture consumption goods. A prominent example is the recent recovery in the cotton trade. There is little doubt that home consumption and purchasing power is continuing to expand. The latest retail trade returns alone are evidence of this.

Among the more general indications, goods traffic on the railways is well maintained. Raw material imports are increasing in value, but part of this is due to the rise in prices. Demand for chemicals is good. In the building industry there are further signs that house building may have reached the peak of its activity, but factory building is expanding, and should continue to do so, especially in industries affected by the rearmament programme.

Another encouraging sign is that so far the increase in production costs has not been sufficient to neutralise the rise in wholesale prices. Last year's increases in the cost of living and in wages were very moderate in spite of a 13 per cent. increase in wholesale prices. The advance in wholesale prices also received a check towards the end of January, and this is to be welcomed, as previously the rate of increase had been very rapid. The relation between the trend of prices, wages and costs is a point which may need watching in months to come, but as yet it affords no serious ground for anxiety.

December witnessed a welcome improvement in our export trade, with the result that the adverse trade balance for the complete year was a little less than had been expected. The

recent rise in the prices of primary products has improved the purchasing power of many of our overseas markets, and there is ground for hoping that we shall soon begin to reap the benefit. Two conditions, however, must first be fulfilled. First, there must be some relaxation of the existing barriers against world trade and exchange. Next British manufacturers must not neglect overseas markets during the present home trade activity. It may well be that a revival in our export trade will prove one of the chief supports to our industries, whenever the current internal activity begins to subside.

Turning to developments overseas, news from the Empire remains encouraging. Apart from labour disputes and the Mississipi floods, the American situation remains favourable. In South America, the new Argentina maize crop is now assured. The main events in Japan are the rise in wholesale prices, and the imposition of new exchange restrictions as a safeguard against excessive imports in anticipation of the new tariff. On the Continent, French trade is improving, but the financial and monetary position is giving fresh cause for anxiety. News from Holland, Belgium and Scandinavia is on the whole good. Thus a broad survey of the position at home and abroad suggests that there is no need to modify the view of a month ago that the New Year has opened as well as could be expected, and that the immediate outlook is in many respects promising.

Agriculture

England and Wales.—According to an official report at the beginning of January, fair progress had been made with autumn sowing, although work had been retarded on the heavier lands. Germination has been good and plants are strong and healthy, except where floods have occurred. The area sown to wheat is estimated approximately at 3 per cent. greater than a year ago, and that sown to barley at 5 per cent. less. A slight reduction is indicated in the area sown to oats. Cattle and sheep did fairly well during December, and breeding ewes are in a satisfactory condition. Milk yields are somewhat below average for the time of year. Winter keep has not been drawn on unduly.

Scotland.—Weather conditions during the past month have been favourable for farm work, which is very well forward in

most districts. In the produce markets wheat and barley have been in small supply with prices continuing firm. Oats were rather easier. Potatoes are a better market again and prices have been firm: Kerrs Pink 95s. per ton on rail. In the live-stock market supplies have been forward in average numbers with quality good generally. Trade was firmer for all grades of cattle, while sheep maintained, or improved on, recent values.

Coal

Hull.—Collieries are very well stemmed for all classes of coal, and prices are exceedingly firm. Inland industrial demand is strong, but domestic sales are being retarded by the continued relatively mild weather. The increased price of coal for export has been fully maintained, and also made subject to the reduction in de-rating relief, thus involving an increase of about 4d. per ton in f.o.b. values in this district. Supplies are inadequate, and the shortage is being accentuated by labour troubles at a number of collieries.

Newcastle-upon-Tyne.—The demand for every class of fuel remains strong, and the difficulty of obtaining supplies is limiting business for both prompt and forward shipment. Little free coal is held by merchants, and for the greater part collieries are unable to quote, except for long-term contracts. Bunkers are in great demand, and exaggerated values are put upon anything free for prompt deliveries.

Sheffield.—The good home demand for all grades of industrial fuels continues, and prices are firm. Supplies are restricted by labour disputes, and shippers complain of shortage of certain grades and qualities required for export. Household coal is firm and is moving freely.

Cardiff.—The buoyant tone continues in the South Wales steam coal market, and foreign requirements remain heavy. Collieries are experiencing considerable difficulty in meeting current demands, and the limited quantities available are commanding higher prices. The position, however, was somewhat upset during January by reduced outputs owing to an epidemic of influenza in the colliery districts. All classes of large coal are commanding anything up to 1s. per ton over minimum prices, and sized coals and washed duffs, which are practically unobtainable for prompt shipment, are being sold at anything up to 2s. 6d. per ton premium.

Newport.—Foreign coal shipments during December totalled 193,000 tons, against 156,000 tons in November, and 191,800 tons in December, 1935. The year's total exports of coal and coke, including bunkers, amouned to 2,612,500 tons, against 3,055,500 tons in 1935, and is the lowest since the stoppage year of 1926. Coal output kept above the 1935 level during the whole of November and the first half of December, and both home and export demand has been definitely stronger.

Swansea.—Conditions are less active, but some qualities of anthracite continue to attract considerable attention. Sized qualities show a good deal of irregularity, and cobbles and French nuts are a limited demand. Enquiry for rubbly culm and duffs has been good, and prices are strongly quoted. The steam coal market is unchanged and most varieties are in good demand.

East of Scotland.—In Fifeshire both first and third class steams are well booked up for some time ahead, and all grades are moving off freely. Washed fuels are in good demand. In the Lothians the screened coal position is much the same as in Fife, and supplies are difficult to obtain for prompt shipment. Smalls are well supported.

Glasgow.—Demand for Scottish coal on both inland and export account is very strong. Large coal and washed nuts are moving away freely in Lanarkshire and Ayrshire in fulfilment of contracts with the household coal depots, gas and electricity works and steel and iron works. In all Scottish areas supplies of round coal and smalls are very scarce for export. There is a fairly good enquiry, and some of the importing firms abroad are prepared to pay the high current prices, but business is practically impossible owing to the limited quantities available.

Iron and Steel

Birmingham.—Producers are full up with orders, and although the position is tight, consumers appear to be getting enough material to carry on. Consumers are anxious to buy as far ahead as possible, but makers are cautious, as present bookings ensure maximum outputs for months to come. Scrap imports have practically ceased and the market is firm. Steelmakers are buying all they can at prices up to 10s. in advance of a month ago.

Bristol.—There has been a reduction in the number of short-time workers, as full employment has been resumed at one of the largest works in the industry. Considerable fluctuations in the position have been caused by the shortage of materials, and this somewhat uncertain situation is expected to continue.

Sheffield.—Business continues at full pressure in all branches of the steel producing trades, and there is every prospect of the present great activity being maintained for a long time to come. Some difficulty is being experienced over a shortage of steel billets. The scrap position is much firmer. Prices are hardening, and the demand exceeds the supply.

Tees-side.—Consumption of iron and steel still exceeds production, and with prices on a basis which is likely to remain stable for the next six months consumers are offering forward contracts freely. New business is rather restricted, as orders on hand are so numerous that manufacturers are disinclined to add extensively to their commitments. Another blast furnace has been brought into operation, but there is little free iron for sale. Inquiries from abroad are substantial and much export business could be done if supplies were available. Steel manufacturers are engaged on record orders, exceeding the highest production ever achieved in this district, and a further extension of output is being planned.

Newport.—All works are busy and are likely to continue so. The large home demand has necessitated an increase in imports.

Swansea.—A steady demand for tinplates was maintained during December, and makers had sufficient orders on hand at the end of the year to keep them busy for the next six months. The works were busier during December than at any other time during the year, and the output, in spite of time lost during the holiday, reached approximately 57·30 per cent. of the allotted capacity.

Glasgow.—Demand is pressing, mainly on home account. All the plants are in full operation, and even so it is difficult to keep pace with the demand, especially as each branch of the industry is handicapped to some extent by the increasing scarcity of raw materials. Prices have risen sharply since the boom began, and still show an upward tendency. Wages have also advanced. Steel makers are overwhelmed with orders for semis and finished material and are in arrears with deliveries.

Structural engineers, re-rollers and makers of sheets are also very active. The hot-rolled, lap-welded and solid-drawn sections of the tube industry are very well provided with work, and the output of the butt-weld descriptions of tubes has been increased by the restarting of another mill at Motherwell. Re-rolled steel is in strong demand and considerable quantities of bars are being manufactured. Makers of pig-iron are operating their furnaces to their utmost capacity. Current output of hematite, basic and foundry qualities, is being delivered in fulfilment of contracts, and practically no stocks are held by producers.

Engineering

Birmingham.—All sections remain very active and prospects are bright. Foundries are working at pressure. Manufacturers of drop forgings, pressings and stampings, and motor and aeroplane components are all very busy. Capital expenditure on new plant and modernising plant is benefiting electrical and other engineering firms. Constructional engineers have plenty of work on hand. There is some shortage of skilled labour.

Bristol.—The general engineering section shows some improvement. Skilled fitters are still urgently needed in the aircraft section. The Bristol Aeroplane Co., Ltd., has received an order from Imperial Airways for 25 Perseus engines. The general engineering output is still on the maximum level. Contracts placed are not so large as they have been recently, but they are more numerous.

Coventry.—Motor manufacturers continue to be fully employed. The acceleration in production in the machine tool trade and heavy industries is maintained. Factories engaged upon aircraft engineering work are operating to capacity, and the demand for skilled labour still increases. The pedal cycle trade is flourishing.

Leeds.—The improvement continues, but is hindered by the difficulty in obtaining skilled men.

Leicester.—The industry remains very busy. There has been a slight improvement in export trade.

Manchester.—Activity continues, and with all sections sharing in the improvement, prospects for 1937 are bright.

Important orders have been received from abroad for gas and electrical plant, and contractors in these lines are exceptionally busy. Russian orders are expected to furnish a stimulus to other branches of the heavy section. Machine tool works generally are operating at full capacity, the demand from Government departments and general engineers being insistent.

Sheffield.—In the general engineering section most firms are working to capacity, and some are unable to accept more orders at present. Contrary to general rumour most of the orders on hand are for ordinary commercial business, and are not due to the rearmament programme. Very active conditions prevail in almost every department of the tool industry. The bulk of the orders come from the home market, but a fair overseas trade is maintained.

Glasgow.—Work at the Clyde shipyards is now in full swing, and the year promises to be one of the busiest in the records of the industry. No fewer than 120 ships are on order, including about two dozen warships. The extent of the recovery may be gathered from the fact that whereas in 1936 the total tonnage launched was little more than 300,000 tons, the ships now on the stocks or to be laid down represent a tonnage of approximately 500,000 tons. Some of these vessels will, of course, not be laid down this year, and several firms are already assured of steady employment for about two years. Marine engineers are sharing in the improvement.

Metal and Hardware Trades

Birmingham.—Active conditions have been maintained at the cold rolled brass and copper sections, accentuated in many directions by rearmament work. Prices of finished products tend to increase following the rise in raw material prices and the wage increase of 1936. The export position shows no change. The hardware trades remain active.

Sheffield.—Home trade in cutlery and plate continues active, but export trade is quiet. Business in cheap lines is still on a large scale, and there is also a decided improvement in the demand for medium and better class goods. The sterling silver section has also improved considerably, owing mainly to the approach of the Coronation.

Chemicals

Home trade has been satisfactory. Pharmaceutical chemicals have been in good demand. The coal tar products market has been more active than usual at this time of year, except for pitch, which is a dull market. Wood distillation products also show improvement. Imports for 1936 were £982,751 above their 1935 level, but exports showed a decrease of £229,413.

Cotton

Liverpool.—The trade demand for cotton has been well maintained throughout the month, despite apprehension regarding the outcome of the Spanish situation. Although European political influences have had a retarding effect, the demand for actual cotton during the month has been well maintained. In the " futures " market prices show a moderate increase to 6·94d. per lb. The consumption of cotton is on a broadening scale throughout the world, and while increases in mill requirements of American cotton are recorded in the United States, Great Britain and France, most other countries show a preference for outside growths. This movement, in evidence for some few years, is becoming more apparent with the growing disparity between the respective production figures. The estimates for the current season give the American production as 12,396,000 running bales, in a total world production of commercial cotton of approximately 30,000,000 bales. In Liverpool the imports of American cotton have for some months past been insufficient to prevent premiums on the near deliveries, and a position of some difficulty has arisen. The advisability of discontinuing the present American " futures " contract and substituting a new contract, against which several growths could be tendered, is being considered. The United States Government's holding of " Loan " cotton may be reduced shortly by releases to the trade at fixed minimum prices, but as the quality of the cotton in grade and staple may not be up to the desirable standard, the ultimate effect upon the market is problematical. Manchester trade has presented a firm appearance and buyers have placed large orders with producers in all sections. Prices are satisfactory and enquiries well maintained. Yarn quotations have been firm with an encouraging demand.

Manchester.—Spinners of coarse and medium yarns have met with a better enquiry though business is still retarded by the new standard of quotations enforced by sellers, which has adversely affected, for the moment, some of the export markets. In cloth a better business has been done all round, and prices show a hardening tendency. Demand for India and the principal Colonial markets has been much more encouraging, though some of this is due to buying for stock on the part of local merchants in anticipation of higher prices in the near future. Most of the mills are busy with good orders in hand.

Wool

Bradford.—There is a keen demand for the raw material, and quotations for tops remain very firm. Spinners appear to be well covered, and there is not much speculative buying at present prices. Machinery is kept active.

Hawick.—This is rather a " between-season " period in the Border tweed trade, and while a few houses are well employed, most of them have a certain number of looms standing idle. Wool prices continue to rise, owing to some extent to a persistent demand from abroad, particularly from Japan. Save for the knitwear section, hosiery and underwear manufacturers are rather quiet. Dyers and spinners continue to be fairly busy.

Other Textiles

Dundee.—A good enquiry prevails in the yarn and cloth sections of the jute market, but buyers are still reluctant to pay the prices asked. The purchasing of the jute fibre does not yet appear to be very general. The wages dispute which has recently been under consideration has now been adjusted.

Dunfermline.—In the Fifeshire linen trade manufacturers are extremely busy at present, and prices continue very firm with a rising tendency. Spinners are showing some interest in the fibre but are slow in placing orders. Wet spun yarns are active, and a fair business is passing in dry spun yarns.

Clothing, Leather and Boots

Bristol.—There has been some improvement in the ready-made and wholesale bespoke sections of the clothing trade.

Other branches continue satisfactory. The boot and shoe trade has also improved, and a number of short-time workers resumed full time work during January.

Leeds.—The clothing trade is flourishing, and present conditions are likely to last until after Whitsun. There is difficulty in finding suitable labour.

Leicester.—Trade in boots and shoes and hosiery is better than at the same time a year ago, and the outlook is distinctly promising.

Northampton.—Boot and shoe manufacturers report a scarcity of orders, but are hoping for an improvement in the near future from orders for spring lines. Tanners continue busy, although many shoe manufacturers are still refusing to buy until they have cleared their present stocks. Leather prices are very firm with a continued upward tendency.

Shipping

Bristol.—Trade has tended to be a little slower than of late, and was generally below the level of January, 1936.

Hull.—There is only a moderate demand for tonnage, but the recent improvement in rates is being maintained in all directions. Coal freights are well maintained.

Liverpool.—Outward coal freights have been maintained on a fairly steady basis, and there has been a moderate demand for tonnage. Homewards from the River Plate quotations continue above schedule, although enquiries for March loadings have slackened. Montreal grain shippers are willing to operate at the scheduled rates for the new season, and Australian early loading positions remain very firm. A fair enquiry has been maintained in the East, but Mediterranean ports are quieter.

Newcastle-upon-Tyne.—Chartering is quiet, largely owing to the difficulty in securing reasonable loading turns over the next few weeks. Tonnage is fairly plentiful, but owners are maintaining their rates, and fixtures are passing on the basis of 8s. 3d. West Italy.

Southampton.—Trade statistics for 1936 reveal the establishment of new records for the amount of shipping tonnage entering the docks, and the number of passengers dealt with.

The following traffic returns indicate substantial advances in each of the main branches of shipping activity :—

	1935.	1936.
Gross Tonnage of Ships (Inward) ...	17,991,539	18,539,590
Tons of Cargo (In and Out) ...	1,048,003	1,130,068
No. of Passengers (In and Out) ...	537,355	560,542

The 1936 freight tonnage aggregate represents an improvement upon the figures for 1930, the year prior to the world-wide trade depression.

Cardiff.—The freight market is firm for all directions and enquiry is good. Business is, however, being upset to some extent by the difficulty in arranging loading terms.

Newport.—Laid-up shipping has now practically all been absorbed, and at the end of 1936 freight rates showed considerable increases compared with the previous year. Rates to the North of France and the French Bay ports have risen by 1s. 6d. to 2s. per ton, and other markets show an equal improvement.

Swansea.—Inquiry is very poor for all directions, and owners are offering tonnage a little more freely. Rates have fallen considerably since before Christmas, but are still sufficiently high to show profits. The trend of the market is, however, weaker, and business is badly needed if rates are to be maintained.

East of Scotland.—There were over twenty vessels on loading turn at the Forth coaling ports at January 19th, Methil being the principal centre. Trade at Leith docks showed some improvement this December as compared with 1934. On the export side cargo coal decreased but other exports showed some increase, while as regards imports there was a very substantial rise in grain imports. Oilcake and guano were also up but wood imports showed a decrease. Chartering rates have been easy on the whole.

Glasgow.—Demand is quiet and confined almost entirely to the Baltic and Bay sections, where boats are in ample supply and the tone steady. Practically no business is offering in the Mediterranean and Coasting sections, and rates are not being thoroughly tested.

Foodstuffs

Liverpool, grain.—The late strength developed in wheat positions for distant months is the feature of the "futures" market. The July quotation at 8s. 8d. per cental shows a premium of 1½d. per cental over the March position, compared with a discount of 3d. on December 12th. Twelve months ago the quotation was only 6s. 6d. to 6s. 5d. per cental for forward months. Heavy shipments of Argentine wheat have had an effect on current prices, but although the freight requisitions for February and March loadings from the Plate suggest selling pressure, the market presents a steady undertone, and surpluses at the end of the cereal year in July are expected to be small. Broomhall estimates that world visible supplies of wheat and flour on December 1st, 1936, were 293·0 million bushels, compared with 436·5 millions on December 1st, 1935. American winter wheat continues to make satisfactory progress on a record acreage of 57 million acres, while in India and Europe growing conditions are favourable. The demand from the United States is the predominating influence in the maize market, where prices remain firm. Imports from Argentina are likely to increase during the next few months, and with supplies smaller than at this time last year, a strong statistical position is indicated.

Liverpool, provisions.—There are ample supplies of Continental bacon. The market is quiet and prices somewhat easier. American hams, however, are steady in price with demand moderate. Lard had a fluctuating market with poor demand. In the canned goods section there has been an active trade in meats at slightly better prices, but supplies of Californian fruits have been restricted through the American shipping strike. Butter has been steady with little change in quotations. The demand for cheese has been slow and prices have fallen.

Fishing

Brixham.—Landings of wet fish during December were 6,130 cwts., valued at £7,501, compared with 4,070 cwts., valued at £5,404 during November. Unusually large quantities of sprats are being landed, but prices have only averaged 1s. 6d. per barrel, and in some instances have only made 6d. per barrel, as there is little public demand for this fish.

Hull.—Fishing has been moderate. There was a distinct shortage the week before Christmas owing to very bad weather at sea. Prices were reasonable except during this one week. The marked shortage of flat fish continues. Most of the fish coming to Hull is from Bear Island.

Penzance.—Fishing has been very slack. The weather has greatly handicapped efforts in the herring industry. Plymouth has also had probably the worst season ever known. For the small quantities landed demand has been very keen, and prices have been high.

Scotland.—The herring fishing at the mouth of the Forth has been hampered by weather conditions, and while catches are realising good prices, efforts so far have not met with much success. Stormy weather has also interfered with the line fishing round the coast. As a result landings have been light and the demand has continued good with prices high.

Other Industries

Paper-making and Printing.—Bristol reports that business is generally better than a year ago, and there was a further improvement over November in the printing and cardboard-box making sections.

Edinburgh reports that the local mills are fully occupied, mainly on home account, but export trade has also improved a little lately. The price of paper was raised by $\frac{1}{8}$d. on January 1st, making a rise of $\frac{1}{4}$d. since last September. The printing trade is very active, and employment is better than for a good many years past.

Pottery.—Longton reports that there has been a satisfactory increase in exports for 1936 compared with 1935. For china the increase is roughly 21 per cent. and for earthenware roughly 8 per cent. Canada was a better market, and an improvement was also seen in trade with Australia, New Zealand, the United States, and the Argentine. Imports of foreign china increased. Home trade is quiet at present, but good business is expected from orders for the new Coronation ware, although little time is available for this trade.

Timber.—Hull reports that although the market generally is waiting for the further lot of Russian goods, which are to be released shortly, there is no lack of orders both from stock and

for forward goods. Prices from stock are now showing a much closer relationship to replacement values. This is only to be expected, as even the weakest seller cannot ignore the trend of the market. With Russian prices expected to advance 20s. per standard shortly, and the attitude taken up by Scandinavian sellers, it is quite obvious that further advances on current stock prices must be obtained. Swedish and Finnish sellers in most cases appear to be waiting to see exactly how far the Russian prices advance, before they release stock Notes for any quantity. Under the excuse of stock-taking, many of them are declining for the time being to offer any goods. Many others either reply to offers with increased prices over their asking figures, or refrain from making a counter-offer. The report in some quarters that Finnish goods for 1937 are sold practically up to the quota, is, of course, exaggerated, and no doubt arises from the knowledge of the waiting policy now being pursued by exporters. On the other hand, it is quite true that, from both Finland and Sweden, exceedingly heavy sales have been made.

Newport reports that pitwood imports totalled 2,728 fathoms, compared with 790 fathoms in November. Other timber imports consisted of 651 standards from Canada, compared with 668 standards in November, and 868 standards from Danzig, against nil the previous month.

Overseas Reports

Australia

From the National Bank of Australasia Limited

It is reported that trade will probably expand further as a result of stronger markets in wool, wheat, and base metals, coupled with improved pastoral and dairying conditions, particularly in the east coastal districts of New South Wales and Queensland. Bank clearings, customs and excise revenues, and postal receipts are all higher than a year ago. The Stock Exchange is buoyant for industrials and metals; other sections are steady. The net profits of 202 companies were 37 per cent. above those of 1934. Wool is selling readily at advancing prices. The wheat harvest is estimated at 134 million bushels. During recent months the numbers employed in secondary industries and building operations have further improved.

A later cable states that heavy rainfalls in most pastoral districts during January indicate that the season should be favourable. Imports and exports for November showed a further expansion, and the trade balance for the five months to November 30th is favourable to the extent of £5 millions sterling.

Canada

From the Imperial Bank of Canada

Prospects for 1937 are very favourable. The national income for 1936 has been estimated at $4,540 millions, which is $450 millions or 11 per cent. above 1935, and $1,340 millions above 1934. Transportation, public debt and unemployment problems still persist, but otherwise the favourable elements are predominant. The biggest items in the national income were manufacturing at $1,500 millions, and agriculture at $750 millions, which shows that higher prices have compensated for light crops. Mining at $360 millions showed the largest relative increase of 20 per cent., while the fourth place was taken by the tourist industry with $250 millions, or an advance of $50 millions. Forestry operations improved by 19 per cent., and substantial increases were made in electric power production, fisheries and furs. Construction fell by $5 millions, but the total of $131·4 millions is impressive in view of the falling-off of public contracts compared with 1935. Foreign trade expanded by about 12 per cent., with a highly favourable balance. Dividends and bond interest increased by nearly 15 per cent. While unemployment remains a problem,

the improvement since 1935 reflects the greater activity in general manufacturing, particularly in the iron and steel, textile and lumbering industries, as well as in mining.

India

Bombay.—Cotton prices rose during the first half of January, owing to the increase in world consumption. There was some speculative activity, with higher prices for broach at the end of December. There was a steady demand from Japan, but enquiry from Lancashire and the Continent of Europe was not keen. Weather has been good, except in the broach areas, where a cold spell has reduced the crop by 10 per cent.

There was a better demand for local and Japanese piece-goods early in the month. British piece-goods also rose in price owing to low stocks and limited arrivals. Demand from India and the Persian Gulf was encouraging, but forward trade was difficult owing to the upward trend of replacement costs. Later in the month there was a slight setback in the piece-goods market, particularly in imported goods. Business in yarns was good early in January, but fell away later in the month. Forward business was limited.

Calcutta.—Owing to many enquiries from Europe for raw materials the general outlook is optimistic.

Prices for raw jute advanced at the end of the year, but have since receded, and though a steadier feeling subsequently developed, business is negligible. Baled jute prices have been steadier, but little business has been passing. The hessians market has been steady in spite of the fact that the Association may adopt a policy of unrestricted working hours, which would mean over-production. Very large shipments are proceeding. The shellac market continues steady, owing to heavy shipments, with America the chief buyer. The crop is good and arrivals heavy; otherwise prices would be soaring. There have only been two tea sales in the month, and those not of good qualities. There are only a few more sales before the season closes. Export business in skins revived, and prices advanced, but stocks are accumulating as the Bazaar is trying to lower prices. The market is now dull.

A later cable states that one company has given six months' notice of resignation from the Jute Mills Association, owing to the refusal of the Association to grant the company permission

to install additional looms. Other mills are understood to be likely to follow suit, and a breakdown of the agreement for working short time seems imminent. Prices are now weaker on gambling by bazaar speculators.

Irish Free State

Good supplies of hay of fair quality remain on farmers' hands. Owing to satisfactory prices, supplies of grain were lower than at the same time a year ago. Most of the grain crop except oats was disposed of by the end of December, the impression being that oats were being held back either for seed and feeding or in the hope of a rise in prices. Potatoes are keeping well and supplies are plentiful. The mangels, turnip and sugar beet crops were about average in quantity and quality. The acreage under wheat in 1936 was 91,000 acres, or 51·5 per cent. more than in 1935, and it seems possible that a further increase may take place this season. The cattle markets have been well supplied. Trade was good and prices improved appreciably as the month advanced.

France

The foreign trade returns for 1935 and 1936 are summarised below :—

	1935 Frs. mill.	1936 Frs. mill.	Difference Frs. mill.
Imports—			
Foodstuffs	6,264	7,795	+1,531
Raw materials	11,180	13,773	+2,593
Manufactured articles ...	3,530	3,829	+ 299
Total ...	20,974	25,397	+ 4,423
Exports—			
Foodstuffs	2,474	2,469	— 5
Raw materials	4,256	4,440	+ 184
Manufactured articles ...	8,766	8,544	— 222
Total ...	15,496	15,453	— 43

The adverse visible trade balance for 1936 amounts to Frs.9,944 millions, compared with Frs.5,478 millions in 1935.

The number of registered unemployed on January 9th was 420,448 compared with 463,225 at the same time last year. Railway receipts for 1936 show an increase of Frs.70 millions over 1935, and the increased activity in the last five weeks of the year raised receipts to Frs.123 millions more than in the corresponding period of 1935.

The cost-of-living index rose 16 points between November and December from 534 to 550 (1914 = 100). This makes the increase since September 11·3 per cent.

On the Stock Exchange Industrials advanced considerably, especially electrical and chemical shares, but a possible shortage of funds for the carrying of speculative positions has lately caused realisations and led to a certain reaction.

Le Havre.—Cotton prices have remained irregular with a substantial premium on distant months. The arrival of American Loan cotton in February and March is not expected to affect the scarcity of higher grades, which now exists. Demand from the mills has been quiet and stocks have advanced from 240,000 to 265,000 bales in the month.

The coffee market has been distinctly "bullish" during January owing to currency fears. Prices are firm in the producing centres, and demand from the interior of France has been very active. Stocks have nevertheless increased from 806,000 to 876,000 sacks.

A "futures" market in rice has been established in Le Havre as from January 1st. The basic unit is Saigon White No. 1, maximum brisures 25 per cent., 250 quintals.

Lille.—The cotton market is active and spinners are fully employed. Demand continues good in spite of higher prices resulting from wage increases and the 40-hour week, which came into effect on January 4th. Large stocks of raw materials are now held, bought at good prices, and profit margins are satisfactory. Prospects are uncertain, but there is now a more conciliatory spirit between workers and employers.

Business in flax is good, and demand is maintained. Spinners are raising prices and delaying deliveries, so as to make stocks of cheaply-bought raw materials last as long as possible. The rising trend of raw flax prices and the increased production costs make it difficult to establish yarn prices sufficient to cover replacement costs. Both spinners and weavers have orders in hand for a long time ahead, but future deliveries are subject to price adjustments.

The seven weeks' strike in the heavy industries has now been settled after Government intervention. This satisfactory solution, after the interest the strike has aroused, is considered to augur well.

Roubaix.—There has been fair activity in wool, with recently a tendency for it to fall away. Prices have risen

approximately 8 per cent. during the past month. Stocks of tops at the end of December at kilos 7,539,000 were kilos 124,000 less than a month before, and kilos 4,438,000 less than a year ago. The 40-hour week, in spite of opposition from the mill owners, came into effect on January 4th, and caused an immediate price increase of approximately 20 per cent. Combing charges are now about 40 per cent. higher than a year ago, and manufacturers' prices are up by about 60 per cent. This last increase is due to higher raw material costs as well as to the rise in labour costs. Combers are busier now owing to the arrival of the new clip, but the outlook is still uncertain. Spinners are busy with old contracts, but high prices are holding up new orders. There is, however, a good demand for knitting wools. Manufacturers are well occupied, but new orders are scarce, especially for dress goods. All the strikes in this region have now been settled. Unemployment is decreasing, and there is a shortage of skilled operatives in the mills.

Belgium

Antwerp.—The general economic improvement in Belgium continues, although still largely localised in the home market and certain industries. Traffic in the port of Antwerp, nevertheless, shows a substantial increase. Local trade remains active in commodities such as cereals, wool and colonial produce. The Stock Exchange has been firm in spite of political uncertainties, and industrial and colonial share quotations have risen considerably.

Brussels.—The iron and steel trade continues satisfactory, but producers are still hesitant and are continuing their policy of voluntary limitation of sales. Delays of delivery now extend to May 15th, and the acceptance of new business is limited. The new social measures may increase costs of production, which is an added cause for caution. Industrial qualities of coal are very active, but the enforced reduction of the working week from 48 to 45 hours, when demand is already ahead of production, is causing some anxiety. This will certainly increase prices, although the waiving of the import quotas now decided upon may retard the rise.

Germany

The problem of Germany's self-sufficiency under the Four Year Plan is now of predominant interest. The increase

in unemployment from 1,197,000 to 1,478,000 in December may be regarded as seasonal, for the shortage of skilled workers is becoming increasingly noticeable. For the first time in 14 years the firm of Friedrich Krupp of Essen has paid a dividend. Previously profits have been re-invested, and this year the payment of a 4 per cent. dividend on capital of Rm.160 millions accounts for less than half the profits. After being reconstructed out of public funds the large firm, Vereinigte Stahlwerke, has raised its dividend from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. These and other favourable results have not, however, affected the Stock Exchange, as regulations against speculators have considerably reduced the turnover. The share index was lower in the second half of January than at the end of December. Government policy is favourable to the bond market, which is accordingly rather firm. Several new industrial bond issues were easily placed. Further Reich loans for the consolidation of impending debts are expected.

Holland

The end of 1936 and beginning of 1937 have witnessed a continuation of the post-devaluation tendencies. The Exchange Equalisation Fund has been constantly buying up sterling to prevent the guilder from rising, and of the gold thus acquired Fl.200 millions have been sold to the Nederlandsche Bank. This has either served to pay off money borrowed or has been credited to the Fund on current account. Recently, by placing Treasury bills in the open market, the Fund has more or less sterilised the gold imports. The money market is very easy, three months' bills now yielding $\frac{7}{16}$ per cent., and six months' bills $\frac{11}{16}$ per cent. The Fl.100 million 3 per cent. Government loan issued at $95\frac{3}{4}$ per cent. in December is now quoted at about par. A new guaranteed Government conversion loan is announced of Fl.150 millions of 3 per cent. stock at an issue price of $96\frac{3}{4}$ per cent. This is to replace the $4\frac{1}{2}$ per cent. Netherlands East Indian Loan. The Municipalities have succeeded in paying off the advances obtained from the Treasury, and the loans made to the colonies are diminishing rapidly. The Treasury now has a credit balance of about Fl.100 millions at the Nederlandsche Bank.

The following table shows how foreign trade has increased in value during the past two years :—

	Imports 1935	Imports 1936	Exports 1935	Exports 1936
	In millions of guilders			
January	76	79	55	50
February	70	74	51	50
March	80	79	54	55
April	78	81	50	57
May	78	76	58	53
June	73	77	51	53
July	76	80	54	60
August	76	82	61	63
September ...	76	82	59	72
October	94	92	70	75
November ...	86	101	60	77
December ...	73	114	52	79
Total ...	936	1,017	675	745

The increase in both imports and exports was considerably more rapid after the guilder was devalued. Neither wages nor the cost of living have risen appreciably since devaluation. Wholesale prices have not risen in proportion to the depreciation of the guilder except in the case of certain imported goods such as hides and skins, paper, and raw materials for manufactured food products, all of which have risen by more than 50 per cent. Foodstuffs have risen by only 8·4 per cent., and the average rise of all wholesale prices is only 13·4 per cent.

Shipping is more active and charterings are increasing. The Holland-America Line is making a fresh issue of shares, at a price of 106 per cent. The improvement in shipping is due to the rise in commodity prices and in freights. The Dutch East Indies has also benefited greatly from the rise in prices.

The Stock Exchange is very active. Unemployment has not yet fallen, except in the big towns. There is, however, an increasing demand for labour from such industries as shipbuilding and engineering.

Norway

The trade returns for last December and for the whole year are summarised below :—

	Dec. 1935 Kr. mill.	Nov. 1936 Kr. mill.	Dec. 1936 Kr. mill.	1935 Kr. mill.	1936 Kr. mill.
Imports	87·4	95·1	92·4	825·0	922·9
Exports	60·0	69·0	74·5	605·0	685·3
Import surplus ...	27·4	26·1	17·9	220·0	237·6

The following table gives the November index number of industrial production (first half of 1933 = 100).

	Home Industries.		Export Industries		All Industries	
	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.
1934	109	111	107	110	109	111
1935	120	120	112	126	117	122
1936	134	137	118	121	128	131

The general cost-of-living index for December 15th rose by 2 points from the preceding month from 155 to 157 (July 1914 = 100). The wholesale price index at January 15th was returned at 144, or four points above the December figure.

During the first six months of the current fiscal year customs receipts totalled Kr.72·1 millions as against an estimate for the whole year of Kr.121 millions. During 1936 the foreign exchange holdings of the Bank of Norway advanced from Kr.112·6 to Kr.202·3 millions.

On January 1st Norwegian idle tonnage totalled 18 ships aggregating 69,480 tons d.w., which was an increase of three ships totalling 44,170 tons d.w.

The draft budget for the fiscal year 1937–38 has been published. The total balance is Kr.522 millions, compared with Kr.483·8 millions for the current year. There will be little change in taxation.

Discussions of trade questions have been carried on with the Dutch Ministers of Commerce and Agriculture, but no agreement has yet been signed.

Sweden

The timber market was quieter at the beginning of the New Year, but the interest of buyers has not waned, and delivery dates are being extended at each new contract. Sales up to the middle of January are estimated at about 400,000 standards, which is nearly half Sweden's yearly quota. The expected new Russian offerings are arousing interest, and an advance in prices is anticipated. The British market is strong, but the Continent has been unsteady. France and Belgium are very quiet, but in Germany a number of exchange licences were granted at the end of December. Danish trade is held up by exchange restrictions. The whitewood market is firm and early delivery is very difficult to obtain.

The paper pulp market was strong at the end of the year. Of the 1937 output only 20 per cent. of sulphite and 15 per cent. of sulphate remained unsold, and of the 1938 output already

33 per cent. of sulphite and 50 per cent. of sulphate have found a market. Prices are firm. The improvement in mechanical pulp prices came late, but by January 15th about 200,000 tons had been sold.

The paper industry is well occupied, but the shortage of raw materials is beginning to make itself felt fairly generally. The increase in prices has not yet covered the heavier costs of raw materials. The northern mills are practically sold out of newsprint for 1937. The kraft paper mills are booked up for four to six months ahead, and prices are well above the minimum. Sulphite paper has likewise improved.

The iron market continues to reflect the activity of buyers and the reserved attitude of sellers. The supply of orders is increasing, and prices are rising. The increase of prices of rolled products in 1936 was no less than 20 per cent. The total volume of ore exports for 1936 reached a new high record of 11,224,000 tons, compared with 7,719,000 tons for 1935 and 10,899,000 tons for 1929.

Yearly figures for foreign trade were imports, Kr.1,619·4 millions; and exports, Kr.1,505·4 millions. The most powerful factor in the reduction of the import surplus from Kr.178·9 millions in 1935 to Kr.114 millions was the average rise in prices of Swedish export goods by 17 per cent., against the advance of only 6 per cent. in prices of imported goods.

Denmark

A survey of 1936 shows that in spite of a fall at the end of the year, average prices of bacon, butter, and eggs were higher in 1936 than in 1935. Exports for the first eleven months of 1936 were valued at Kr.767 millions, against a parallel figure of Kr.738 millions in 1935. Exports of live animals also increased, and for the most part went to Germany. The poor grain harvest of 1936 was compensated for by the rise in prices, but there was a net deterioration in the position of agriculture during the year. Domestic industry improved, however, while shipping, with gross earnings of Kr.225 millions against Kr.200 millions in 1935, benefited from higher freight rates. The shipyards were fully occupied, and building activity was only slightly less than in 1935. Unemployment, however, remained serious, and the foreign exchange position only slightly improved.

The New Year began with a further fall in the price of eggs to Kr.80 for 100 kilos, due to over-production and the glutting of the English market. Denmark has surpassed Holland as egg-producer in 1936 and now takes first place. The long depression in the butter market should end soon and fortunately the bacon market has remained steady, with prices at Kr.164 per 100 kilos. The recent increase in the British import quota makes the outlook promising. The bad grain harvest and the need for importing grain, at a greater cost to users, has forced numbers of cattle on to the market, so much so that in one week about 2,500 head remained unsold.

Unemployment has risen in the past month from 94,888 or 22·5 per cent., to 121,889 or 28·5 per cent.

The new trade agreement with Germany for 1937 is on a somewhat different basis. During the first quarter Germany has agreed to import Kr.70 millions of Danish goods, including Kr.61 millions of agricultural products and Kr.3 millions of fish. German imports for the second quarter are governed by Danish imports for the first quarter, after allowing for certain freight payments to Denmark and an allocation of exchange towards the reduction of the Danish National Bank's balance of Kr.20 millions at the Reichsbank.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

Government bonds and also industrial shares have remained steady during the last few weeks, and the firmness is expected to continue, as money is extremely plentiful. The winter sports season has opened well. Bookings in all the resorts for Christmas and the New Year were very heavy, all the large hotels being full to overflowing. The increased number of English visitors this year is particularly noticeable. Recent export trade returns show an improvement in most branches.

Morocco

From the Bank of British West Africa Limited

Business conditions in the French Zone during the past month have been better and there has been a general rise in prices, both in regard to produce and imported goods, the latter being affected by increased taxation. The Budget

Estimates for 1937 provide for receipts at Frs.870 millions and expenditure at Frs.895 millions, leaving a deficit of Frs.25 millions. The old Market Tax which provided revenue of Frs.28 millions is abolished, leaving a total deficit of Frs.53 millions. This deficit is met by increasing as from December 23rd the Consumption Taxes collected by the Customs on Imports to provide Frs.42·2 millions, adjusting the Animal Tax or Tertib to provide Frs.3·5 millions, and by increases in the Inhabited House Tax. France has agreed this year to suspend Morocco's military contribution amounting to Frs.29·5 millions, and as in 1936 again to advance Morocco Frs.3·3 millions without interest to enable her to meet the services of her Railway Loans. Finally, France has agreed to provide Frs.60 millions to enable Morocco to carry out improvements in living conditions for the natives.

The young growing crops are reported to be in good condition, but further rains should be beneficial. The demand for Japanese cotton goods continues good, despite the advance in price of about 20 per cent., and stocks are not very large.

Owing to the new Consumption Tax the price of tea has been advanced Frs.1 per kilo, but business continues quite good.

Owing to difficulties created by the Spanish Civil War, the Spanish Peseta has been suspended as legal tender in the Tangier Zone, the Moroccan Franc only being now accepted.

The United States

President Roosevelt's address to Congress was more an expression of satisfaction at the last four years than a detailed programme for the new session. The budget message was rather vague. For the year ended June 30th next expenditures are expected to be $8,480·8 millions and receipts $5,828·2 millions. In the 1938 fiscal year expenditure of $6,158·0 millions is contemplated, and revenue is estimated at $7,293·6 millions. This indicates a surplus of $1,135 millions, but it will only materialise if conditions continue to improve, and if relief payments can be kept down to the $1,537 millions allowed for in the estimates.

Although otherwise favourable, the situation is overcast by the labour trouble at General Motors. They arise from the claim of the United Auto workers' union to be recognised as effective collective bargainers for employees in the motor industry. It is an example of a new movement for organising

unions by whole industries, in place of the existing " craft " unions. Those of the workers who do not favour this are expected to take some action of their own. If this conflict can be confined to its present area and curtailed, the danger of a general loss of confidence may be averted, but the situation was still uncertain when this report was mailed.

Wall Street is fairly cheerful, and brokers' loans stood at $1,051 millions on December 31st, which is an increase of $67 millions over November. Most of the banks report having had a good year in spite of low money rates.

The sugar market has been very active and rates have advanced. Rubber prices rose rapidly, but the news that the International Committee was prepared to issue six months' instead of three months' export licences caused a setback. The immediate outlook is uncertain, but unless restrictions bring about prohibitive prices, the longer view is favourable.

European demand, probably speculative, has raised copper prices to 12 cents per pound. This is a mixed blessing as it renders possible the operation of higher cost mines and makes restriction more difficult. Tin has fallen in price, but lead and iron prices have been raised, and stocks are reduced.

The shortage of pig-iron in other parts of the world is expected to make itself felt in America, and already imports have practically ceased. General Motors have postponed delivery of the steel they have on order, pending their labour troubles, and manufacturers are able to overtake delays in deliveries elsewhere. Mills are still working at about 80 per cent. of capacity. Tin plate production is still almost at full capacity, and prospects for steel look bright. Production of steel ingots in 1936 totalled 46,919,362 tons against 33,417,985 tons in 1935. Shipments of finished steel by the U.S. Steel Corporation totalled 1,067,365 tons in December, a figure which has not been exceeded since May, 1930.

Raw cotton exported during the 1936–7 season to date amounts to 3,017,212 bales, against 3,712,952 bales last year, and 2,588,907 bales for the season 1934–5. Speculation in futures has been fairly active, but the problem remains of the 3 million bales held by the Government as collateral for loans to growers. Prices have not varied much. The average yield to the producer of the 1936 crop has been about 12 cents per lb. In order to raise supplies to a reasonable level, Government agencies are encouraging borrowers to redeem their

cotton collateral on a basis of 25 points below the average price of spot middling on the day of repayment, provided that that average is not less than 12·75 cents per lb.

Business in cotton and woollen textile continues good, but in general demand is for delivery in the near future.

South America

From the Bank of London and South America Limited

Argentina.—Good general rains have now practically assured the maize harvest. Export trade for last December reached the highest figures for many years with a total of 1,685,601 tons valued at 204,351,778 pesos, compared with 1,148,724 tons valued at 126,070,515 pesos in December, 1935. The Trade returns for the year show that the volume of exports were lower than in 1935, at 14,585,361 tons against 16,239,528 tons, but the value shows an increase of 5·3 per cent. from 1,569,349,057 pesos to 1,652,448,641 pesos. This is due to the generally higher prices now being realised for Argentine exports, and more particularly to the heavy shipments of grain, especially maize, in the latter months of last year. For the first six months of 1936 the value of exports was 14·8 per cent. less than in the same period of 1935, which shows how that the revival was entirely in the second half of the year.

The following table gives comparative figures for 1935 and 1936 of exports of agricultural and live-stock products.

	Volume tons		Value pesos	
	1935	1936	1935	1936
Maize	7,051,460	8,367,025	321,659,131	444,441,954
Wheat	3,860,043	1,594,478	273,788,709	168,300,479
Linseed	1,777,632	1,487,400	215,915,747	211,222,720
Oats	376,521	175,760	20,485,030	9,926,541
Total of Agricultural Produce	14,585,050	12,897,939	954,466,130	959,861,440
Meat...	559,859	585,993	249,835,355	267,454,850
Wool	136,461	139,536	115,316,186	151,323,986
Hides and Skins ...	163,072	164,522	97,975,713	115,793,588
Total of Live-stock Products	1,147,805	1,186,252	535,994,724	613,379,520

The Budget estimates for 1937 have been promulgated. Expenditure amounts to 983,383,197 pesos, of which

833,932,197 pesos is to be covered by cash revenue, while the balance of 149,451,000 pesos is to be met from the proceeds of credit operations.

Brazil.—Between the end of November and the end of December the note circulation increased by 110,276 contos from 3,919,569 to 4,029,845 contos. This is due to a further issue for the account of the Rediscount department of the Bank of Brazil, of 110,000 contos, and 276 contos representing notes issued in substitution of those of the Caixa de Estabilisação. The emission of new currency in 1936 exceeded 450,000 contos.

During the last half of 1936 coffee deliveries from all sources totalled 12,183,000 bags against 12,813,000 bags in the same period of 1935. Brazil's contribution diminished by 1,092,000 bags from 8,341,000 to 7,249,000 bags, while that of other countries increased by 462,000 bags to 4,934,000 bags. Brazil's shipments for the whole year are estimated at about 14 million bags, against 15,329,000 bags in 1935. The average f.o.b. value of coffee at Santos was Rs.196$800 per bag in 1936.

Rainfall has been very heavy in the State of São Paulo and it is feared that the cotton crop may have suffered considerable damage. Moreover, although acreage under cotton is 25 per cent. above last year, the crop will probably be no greater owing to the early appearance of a pest. Exports of cotton from Pernambuco in the first fortnight of January amounted to 338,454 kilos in comparison with 242,975 kilos in the same fortnight of last year, and aggregate shipment since the beginning of the crop total 4,143,006 kilos compared with 3,350,266 kilos last year.

Japan

A report cabled at the end of January states that the most important development in recent weeks has been the steep advance in commodity prices. Many products have now risen above the 1929 level. The new exchange restrictions that came into force on January 8th are partly responsible for the rise. Imports of raw materials continue high, but difficulties are feared under the new exchange regulations. The steel shortage is acute. Production continues to forge steadily ahead, but the stock market has suddenly lost all its buoyancy as a result of the new political crisis.

Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation.	Govt. Debt.	Other Govt. Securities.	Other Securities.	Silver Coin.	Fiduciary Issue.	Gold.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
" " 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
" " 1933	367·1	11·0	249·9	10·5	3·6	275·0	171·8
" " 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
" " 1935	381·4	11·0	246·7	0·2	2·1	260·0	192·5
" " 1936	406·5	11·0	246·5	1·5	1·0	260·0	200·6
Jan. 20, 1937	450·5	11·0	188·6	0·4	—	200·0	313·7
Jan. 27, 1937	452·3	11·0	187·9	1·0	—	200·0	313·7

Banking Department

	Public Deposits.	Bankers' Deposits.	Other Deposits.	Govt. Securities.	Discounts and Advances.	Other Securities.	Reserve.	Proportion.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
" " 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
" " 1933	21·2	92·8	35·0	57·7	11·8	17·2	80·6	54·0
" " 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
" " 1935	20·1	96·6	41·2	87·6	5·6	11·4	71·7	45·3
" " 1936	18·0	83·6	37·0	80·3	5·0	16·7	54·9	39·6
Jan. 20, 1937	13·6	100·3	37·6	74·9	8·9	22·1	63·6	42·0
Jan. 27, 1937	12·1	98·4	38·4	78·6	8·0	18·7	61·8	41·4

LONDON CLEARING BANKS (monthly averages)

	Deposits.	Acceptances, Guarantees, etc.	Cash	Balances and Cheques.	Call Money.	Bills.	Investments.	Advances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
" 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
" 1933	1,925·2	95·8	207·0	40·1	108·7	348·1	510·2	766·2
" 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
" 1935	1,923·3	117·7	214·0	43·6	133·4	207·0	614·4	766·8
" 1936*	2,108·3	105·2	216·7	53·8	162·4	252·0	635·1	849·2
Nov., 1936*	2,287·2	106·9	232·9	59·9	180·6	328·6	655·6	890·2
Dec., 1936*	2,315·4	109·1	244·1	69·7	195·1	322·2	659·8	884·6

* Includes the District Bank.

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing	Metropolitan Clearing	Country Clearing	Total
	£ mn.	£ mn.	£ mn.	£ mn.
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1935	32,444	1,887	3,229	37,560
1936	35,039	2,040	3,538	40,617
1936 to Jan. 29	2,481	168	280	2,929
1937 to Jan. 27	2,876	178	308	3,362

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1929	Mar., 1932	Mar., 1933	Mar., 1934	Mar., 1935	Mar., 1936	Nov., 1936	Dec., 1936
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham	11·9	9·0	9·7	11·3	9·6	10·7	13·8	13·9
Bradford	5·9	3·4	3·3	4·2	3·8	4·7	4·6	5·0
Bristol	5·3	4·9	5·0	5·4	4·9	5·5	5·7	5·8
Hull	4·0	3·0	3·2	3·2	3·2	3·4	3·5	3·7
Leeds...	4·4	3·8	3·8	4·4	4·3	3·9	4·0	4·2
Leicester	3·6	3·1	3·1	3·3	2·8	3·1	3·3	3·3
Liverpool	34·2	25·6	25·6	26·8	25·8	27·5	30·9	30·9
Manchester	58·0	42·5	42·1	46·1	42·8	44·9	47·4	48·1
Newcastle-on-Tyne...	6·5	5·7	6·5	6·9	5·5	5·7	6·1	6·5
Nottingham	2·8	1·9	1·9	2·0	2·0	2·1	2·2	2·3
Sheffield	4·6	3·3	3·5	3·6	3·4	4·3	4·4	4·9
	141·2	106·2	107·7	117·2	108·1	115·8	125·9	128·6

LONDON AND NEW YORK MONEY RATES

	London.					New York.		
	Bank Rate.	Treasury Bills. Tender Rate.	Treasury Bills. Market Rate.	3 Months' Bank Bills.	Short Loans.	F.R.B. Re-discount Rate.	Call Money.	Accept-ances.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March, 1931	3	$2\frac{17}{32}$	$2\frac{9}{16}$–$2\frac{5}{8}$	$2\frac{9}{16}$–$2\frac{5}{8}$	2–$2\frac{1}{2}$	2	$1\frac{1}{2}$	$1\frac{5}{8}$
" " 1932	$3\frac{1}{2}$	$2\frac{5}{32}$	$1\frac{7}{8}$	$2\frac{1}{4}$–$2\frac{1}{2}$	2–3	3	$2\frac{1}{2}$	$2\frac{1}{4}$
" " 1933	2	$\frac{13}{32}$	$\frac{9}{16}$–$\frac{5}{8}$	$\frac{5}{8}$	$\frac{1}{2}$–1	$3\frac{1}{2}$	3	$2\frac{1}{8}$
" " 1934	2	$\frac{29}{32}$	$\frac{7}{8}$	$\frac{15}{16}$	$\frac{1}{2}$–1	$1\frac{1}{2}$	1	$\frac{3}{4}$
" " 1935	2	$\frac{1}{2}$	$\frac{1}{2}$–$\frac{17}{32}$	$\frac{9}{16}$–$\frac{5}{8}$	$\frac{1}{2}$–1	$1\frac{1}{2}$	1	$\frac{3}{16}$
" " 1936	2	$\frac{17}{32}$	$\frac{1}{2}$	$\frac{17}{32}$–$\frac{9}{16}$	$\frac{1}{2}$–1	$1\frac{1}{2}$	$\frac{3}{4}$	$\frac{3}{16}$
Dec. 30th, 1936	2	$\frac{5}{8}$	$\frac{21}{32}$–$\frac{11}{16}$	$\frac{11}{16}$–$\frac{3}{4}$	$\frac{1}{2}$–2	$1\frac{1}{2}$	1	$\frac{3}{16}$
Jan. 27th, 1937	2	$\frac{17}{32}$	$\frac{1}{2}$	$\frac{17}{32}$–$\frac{9}{16}$	$\frac{1}{2}$–1	$1\frac{1}{2}$	1	$\frac{3}{16}$

FOREIGN EXCHANGES

London on	1935	1936		1937			
	Jan. 30	Jan. 29	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27
New York—							
(a) Spot ...	4·87$\frac{1}{8}$	4·98$\frac{15}{16}$	4·90$\frac{15}{16}$	4·91$\frac{3}{16}$	4·91$\frac{3}{16}$	4·90$\frac{13}{16}$	4·90$\frac{3}{16}$
(b) 3 months	$\frac{1}{8}$c. pm.	$\frac{9}{16}$c. pm.	$\frac{23}{32}$c. pm.	$\frac{5}{8}$c. pm.	$\frac{5}{8}$c. pm.	$\frac{5}{8}$c. pm.	$\frac{3}{4}$c. pm.
Montreal ...	4·87$\frac{1}{8}$	4·98$\frac{1}{8}$	4·90$\frac{3}{4}$	4·91	4·91$\frac{1}{8}$	4·91$\frac{1}{8}$	4·90$\frac{7}{8}$
Paris—							
(a) Spot ...	74$\frac{11}{32}$	74$\frac{31}{32}$	105$\frac{1}{8}$	105$\frac{1}{8}$	105$\frac{1}{8}$	105$\frac{1}{8}$	105$\frac{1}{8}$
(b) 3 months	33c. dis.	Fr.1$\frac{5}{8}$ dis.	Fr.2$\frac{5}{16}$ dis.	Fr.1$\frac{11}{16}$ dis.	Fr.1$\frac{13}{16}$ dis.	Fr.1$\frac{13}{16}$dis.	Fr. 3 dis.
Berlin—							
(a) Official ...	12·21	12·29	12·20	12·21	12·22	12·20	12·18
(b) Registered Marks	39$\frac{1}{8}$% dis.	47$\frac{1}{2}$% dis.	54% dis.	53$\frac{3}{4}$% dis.	53$\frac{3}{4}$% dis.	54% dis.	54$\frac{1}{2}$% dis.
Amsterdam ...	7·24$\frac{1}{8}$	7·28$\frac{3}{4}$	8·96$\frac{1}{4}$	8·97$\frac{1}{4}$	8·97	8·96$\frac{1}{4}$	8·95
Brussels ...	21·01	29·32	29·13	29·13$\frac{1}{2}$	29·11$\frac{1}{2}$	29·12$\frac{3}{4}$	29·07$\frac{1}{2}$
Milan	57$\frac{3}{8}$	62	93$\frac{1}{4}$	93$\frac{9}{32}$	93$\frac{9}{32}$	93$\frac{9}{32}$	93$\frac{5}{32}$
Zurich ...	15·15	15·20	21·37	21·38	21·39	21·38$\frac{1}{4}$	21·44$\frac{1}{2}$
Stockholm ...	19·39$\frac{1}{2}$	19·40	19·39$\frac{1}{2}$	19·39$\frac{1}{2}$	19·39$\frac{1}{2}$	19·39$\frac{1}{2}$	19·39$\frac{1}{2}$
Madrid ...	35$\frac{7}{8}$	36·16	66·00*	67·50*	69·50*	68·50*	70·00*
Vienna... ...	26$\frac{1}{8}$	26$\frac{1}{8}$	26$\frac{1}{8}$	26$\frac{1}{8}$	26$\frac{1}{8}$	26$\frac{1}{2}$	26$\frac{1}{2}$
Prague... ...	117$\frac{1}{4}$	119$\frac{3}{8}$	140$\frac{1}{4}$	140$\frac{3}{8}$	140$\frac{7}{8}$	140$\frac{11}{16}$	140$\frac{1}{8}$
Buenos Aires—							
(a) Export ...	15	15	15	15	15	15	15
(b) Import ...	16·96	17·02	16·00	16·00	16·00	16·00	16·00
(c) Free ...	19·21	18·01	16·06	16·10	16·08	16·15	16·40
Rio de Janeiro—							
(a) Official ...	4$\frac{1}{8}$	4$\frac{1}{8}$	4$\frac{5}{16}$	4$\frac{5}{16}$	4$\frac{5}{16}$	4$\frac{9}{32}$	4$\frac{9}{32}$
(b) Free ...	3$\frac{5}{16}$	2$\frac{23}{32}$	2$\frac{15}{16}$	2$\frac{15}{16}$	3	3$\frac{1}{32}$	3$\frac{1}{32}$
Valparaiso ...	95·80	129	131$\frac{1}{2}$*	131$\frac{1}{2}$*	131$\frac{1}{2}$*	131$\frac{1}{2}$*	131$\frac{1}{2}$*
Bombay ...	18$\frac{5}{32}$d.	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.
Hong Kong ...	21$\frac{1}{2}$d.	15$\frac{3}{4}$d.	15d.	15d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.
Kobe	1/1$\frac{31}{32}$	1/2$\frac{1}{32}$	1/1$\frac{25}{32}$	1/1$\frac{29}{32}$	1/2	1/1$\frac{31}{32}$	1/2
Shanghai ...	17$\frac{3}{4}$d.	14$\frac{9}{16}$d.	14$\frac{1}{2}$d.	14$\frac{1}{2}$d.	14$\frac{1}{2}$d.	14$\frac{1}{2}$d.	14$\frac{1}{2}$d.
Gold price ...	142s. 1d.	140s. 8d.	141s. 8d.	141s. 5$\frac{1}{2}$d.	141s. 7d.	141s. 8$\frac{1}{2}$d.	141s. 11d.
Silver price ...	24$\frac{9}{16}$d.	20d.	21$\frac{3}{8}$d.	21$\frac{3}{16}$d.	21d.	20$\frac{3}{8}$d.	20$\frac{7}{16}$d.

* Nominal.

PUBLIC REVENUE AND EXPENDITURE

	1932–33	1933–34	1934–35	1935–36	1935–36 to Jan. 25	1936–37 to Jan. 23
REVENUE—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Income Tax	251·5	228·9	228·9	238·1	125·6	121·1
Sur-Tax	60·7	52·6	51·2	51·0	21·9	21·8
Estate Duties...	77·1	85·3	81·3	87·9	70·4	68·3
Stamps	19·2	22·7	24·1	25·8	16·8	20·2
Customs	167·2	179·2	185·1	196·6	162·4	171·7
Excise	120·9	107·0	104·6	106·7	90·8	92·5
Motor Vehicles Duties (Exchequer Share) ...	5·0	5·2	5·1	5·0	6·6	11·1
Other Tax Revenue	3·1	2·6	3·1	2·1	0·3	0·2
Total Tax Revenue	704·7	683·5	683·4	713·2	494·8	506·9
Post Office	10·9	13·1	12·2	11·7	13·6	12·2
Crown Lands...	1·2	1·2	1·3	1·4	1·0	1·0
Receipts from Sundry Loans	5·1	4·7	4·4	4·9	4·8	4·4
Miscellaneous Receipts ...	22·9	22·1	15·1	21·7	17·0	16·1
Total Non-Tax Revenue ...	40·1	41·1	33·0	39·7	36·4	33·7
Total Ordinary Revenue ...	744·8	724·6	716·4	752·9	531·2	540·6
Post Office	59·3	59·3	61·8	66·1	50·9	55·6
Road Fund	22·9	25·5	26·4	25·8	22·0	19·2
Total Self-balancing Revenue ...	82·2	84·8	88·2	91·9	72·9	74·8
EXPENDITURE—						
National Debt Interest ...	262·3	212·9	211·6	211·5	190·2	190·0
Payments to N. Ireland ...	7·0	6·6	6·8	7·2	4·5	5·0
Other Cons. Fund Services ...	3·3	4·1	3·6	5·7	2·9	2·5
Post Office Fund	—	—	2·3	1·1	1·1	0·4
Supply Services	458·3	458·8	472·2	512·0	401·2	433·7
Total Ordinary Expenditure ...	730·9	682·4	696·5	737·5	599·9	631·6
Sinking Fund...	17·2	7·7	12·3	12·5	—	—
Payments to U.S. Govt. ...	29·0	3·3	—	—	—	—
Self-balancing Expenditure (as per contra)	82·2	84·8	88·2	91·9	72·9	74·8

PRODUCTION

	Coal	Pig-Iron	Steel
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
" 1925	243·2	6,262	7,385
" 1929	257·9	7,589	9,636
" 1930	243·9	6,192	7,326
" 1931	219·5	3,773	5,203
" 1932	208·7	3,574	5,261
" 1933	207·1	4,136	7,024
" 1934	221·0	5,969	8,850
" 1935	222·9	6,426	9,842
" 1936	228·5	7,686	11,705
December, 1935	19·7	559	811
December, 1936	20·6	671	1,019

BOARD OF TRADE PRODUCTION INDEX NUMBER (1930 = 100)

	Complete Year		1935		1936		
	1934.	1935.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.
Mines and Quarries	90·8	91·7	85·8	98·1	100·5	88·4	89·6
Iron and Steel...	115·7	125·6	124·1	133·3	146·2	149·5	149·1
Non-Ferrous Metals	122·7	137·3	136·6	132·1	134·8	140·9	145·3
Engineering and Shipbuilding	94·0	104·8	102·2	108·0	115·3	120·3	118·8
Building Materials and Building	133·4	147·0	153·5	150·2	148·8	157·8	164·3
Textiles	113·3	118·9	113·3	126·5	126·9	124·4	122·3
Chemicals, Oils, etc.	104·6	110·6	107·7	119·0	115·5	112·0	111·1
Leather and Boots and Shoes	104·5	116·0	109·7	122·1	126·7	121·4	116·4
Food, Drink and Tobacco ...	102·3	107·6	109·2	113·9	106·9	114·5	115·2
Total*	106·1	113·5	110·7	120·7	122·9	122·9	121·7

* Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date	1929	1930	1931	1932	1933	1934	1935	1936
End of—								
January	12·3	12·4	21·5	22·4	23·1	18·6	17·6	16·2
February	12·1	12·9	21·7	22·0	22·8	18·1	17·5	15·3
March	10·0	13·7	21·5	20·8	21·9	17·2	16·4	14·2
April	9·8	14·2	20·9	21·4	21·3	16·6	15·6	13·6
May	9·7	15·0	20·8	22·1	20·4	16·2	15·5	12·8
June	9·6	15·4	21·2	22·2	19·4	16·4	15·4	12·8
July	9·7	16·7	22·0	22·8	19·5	16·7	15·3	12·4
August	9·9	17·1	22·0	23·0	19·1	16·5	14·9	12·1
September	10·0	17·6	22·6	22·8	18·4	16·1	15·0	12·1
October	10·3	18·7	21·9	21·9	18·1	16·3	14·5	12·1
November	10·9	19·1	21·4	22·2	17·9	16·3	14·5	12·2
December	11·0	20·2	20·9	21·7	17·5	16·0	14·1	12·2

(b) Actual Numbers Unemployed (in thousands)

	Mar., 1932	Mar., 1933	Mar., 1934	Mar., 1935	Dec., 1935	Mar., 1936	Nov., 1936	Dec., 1936
Number of Insured Persons unemployed—								
Wholly unemployed	2,129	2,205	1,814	1,727	1,569	1,551	1,360	1,353
Temporarily stopped	427	511	317	324	210	240	191	198
Normally in casual employment ...	104	105	94	92	79	88	70	71
Total	2,660	2,821	2,225	2,143	1,858	1,879	1,621	1,622

RAILWAY TRAFFIC RECEIPTS

	Year				Aggregate for 3 weeks			
	1936.		1937.		1936.		1937.	
	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	10·7	14·7	10·9	15·2	0·5	0·9	0·5	0·9
London & North Eastern*	16·4	28·2	16·8	29·2	0·7	1·8	0·7	1·7
London Midland & Scottish	25·1	35·8	25·8	37·6	1·1	2·2	1·1	2·2
Southern	15·6	4·8	15·9	4·9	0·7	0·3	0·7	0·3
Total	67·8	83·5	69·4	86·9	3·0	5·2	3·0	5·1

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	Dec., 1933	Dec., 1934	Dec., 1935	Nov., 1936	Dec., 1936
By CATEGORIES: Great Britain	%	%	%	%	%
Total	+ 4·1	+ 1·8	+ 9·1	+ 6·5	+ 5·5
Food and Perishables	+ 2·1	+ 2·3	+10·1	+ 6·3	+ 7·2
Other Merchandise of which					
Piece-goods*	+ 2·8	Nil	+ 1·3	+ 2·2	+ 0·9
(i) Household Goods ...	+ 8·0	− 0·5	+ 4·4	+ 0·7	+ 1·5
(ii) Dress Materials	− 2·5	+ 1·4	− 1·7	+ 3·0	+ 0·4
Women's Wear*...	+ 7·5	− 0·2	+ 8·0	+ 9·2	+ 5·5
(i) Fashion Departments ...	+ 9·1	+ 1·0	+ 8·8	+ 8·0	+ 9·9
(ii) Girls' and Children's Wear	+ 4·8	− 3·1	+ 4·7	+ 7·4	+ 5·1
(iii) Fancy Drapery	+ 7·4	+ 0·8	+ 8·2	+10·4	+ 3·2
Men's and Boys' Wear	+10·6	− 5·9	+13·5	+13·2	+ 2·9
Boots and Shoes...	+ 0·3	+10·8	+ 5·2	+ 8·2	+ 7·7
Furnishing Departments ...	+ 7·5	+ 8·5	+ 2·2	+ 2·7	+ 4·7
Hardware	+ 7·6	+ 4·1	+ 8·4	+ 1·6	− 1·9
Fancy Goods	+ 4·5	+ 3·6	+ 4·7	+ 2·2	+ 0·4
Sports and Travel	− 3·5	+ 4·9	+ 6·4	+ 2·2	+ 4·2
Miscellaneous and Unallocated	+ 6·5	− 4·9	+17·7	+ 4·7	+ 6·5
By AREAS—					
All Categories—					
Scotland	+ 1·8	+ 2·7	+ 7·0	+ 5·1	+ 3·8
Wales and North of England...	+ 3·1	+ 1·7	+ 8·4	+ 5·4	+ 5·4
South of England	+ 5·0	+ 2·1	+10·9	+ 7·1	+ 6·6
London, Central & West End	+ 5·6	+ 1·1	+ 9·0	+ 8·5	+ 1·7
London, Suburban	+ 5·4	+ 1·7	+ 8·6	+ 7·1	+ 7·4

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date.	Imports.				Exports.			
	Food.	Raw Materials.	Manu-factured Goods.	Total.	Food.	Raw Materials.	Manu-factured Goods.	Total.
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	4·0	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·3	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
1935	29·6	17·7	15·4	63·0	2·6	4·4	27·4	35·5
1936	31·9	20·7	17·7	70·7	3·0	4·3	28·4	36·7
Dec., 1935	34·3	23·6	15·9	74·4	2·7	4·2	26·2	34·9
Dec., 1936	37·7	26·1	19·2	83·7	3·4	4·9	30·3	40·5

SOME LEADING IMPORTS

Date.	Wheat.	Iron Ore and Scrap.	Raw Cotton.	Raw Wool.	Hides, Wet and Dry.	Wood Pulp.	Rubber.	Iron and Steel Manu-factures.
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	989	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,552	392	1,052	657	116	187	395	114
1935	8,435	415	1,060	720	141	185	325	96
1936	8,401	587	1,289	762	157	307	116	124
Dec., 1935	9,142	422	2,130	809	159	235	216	113
Dec., 1936	8,897	544	1,704	958	179	205	71	95

SOME LEADING EXPORTS

Date.	Coal.	Iron and Steel.	Machin-ery.	Cotton Yarns.	Cotton Piece-Goods.	Woollen Tissues.	Worsted Tissues.	Motor Cars.
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1929	5,022	365	47	11·8	306	9,016	3,490	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,772	2,904
1935	3,226	193	32	11·8	162	5,934	3,205	3,659
1936	2,878	184	32	12·6	160	6,523	3,304	4,268
Dec., 1935	2,867	188	30	11·9	148	5,407	3,282	3,439
Dec., 1936	2,970	205	32	12·3	170	6,159	3,802	5,427

PRICES

1. WHOLESALE PRICES

Date	Index Number (Sept. 16th, 1931 = 100)				
	U.K.	U.S.A.	France	Italy	Germany
Average 1929	150·9	139·4	141·3	146·0	126·1
1931	107·7	103·5	105·5	103·5	101·9
1932	103·5	89·3	92·0	93·1	88·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
1935	108·1	120·3	78·4	—	93·5
1936	116·2	121·4	90·6	—	95·6
End Dec., 1935 ...	113·7	121·9	80·7	—	94·9
„ Jan., 1936 ...	113·0	121·8	82·3	—	95·1
„ Dec., 1936 ...	127·9	128·8	113·0	—	95·4
„ Jan., 1937 ...	130·3	131·0	115·5	—	95·7

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistiche Reichsamt.

2. RETAIL PRICES (cost of living)

Date	Food	Rent (including Rates)	Clothing	Fuel and Light	Other Items included	All Items included
End of 1929 ...	57	52	115	75	80	66
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	44
1935 ...	31	58	85	75	70	47
End Oct., 1936...	36	59	90	75	70	51
„ Nov., 1936...	36	59	90	75	70	51
„ Dec., 1936...	36	59	90–95	75–80	70	51

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date.	Wheat No. 1 N. Manitoba.	Sugar Centrifugals U.K.	Cotton American Middling.	Wool 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber Plantation, Sheet.
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton s. d.	per ton £	per lb. d.
Average 1929 ...	54 0¾	9 0½	10·29	38⅞	70 4¼	203 15/16	10¼
1931 ...	28 2¾	6 4¾	5·08	23 1/16	58 7	118⅛	3⅛
1932 ...	30 6¼	5 9⅜	5·29	22 1/16	53 6	136 7/32	2 5/16
1933 ...	28 2	5 4	5·53	28 5/16	62 3	194 13/16	3¼
1934 ...	30 11	4 8⅛	5·66	30 31/32	66 10½	230	6 5/16
1935 ...	34 3⅛	4 8	6·69	28	67 10	225 13/32	5 31/32
1936 ...	38 0	4 8⅞	6·67	32 13/16	73 0	204 19/32	7 27/32
Dec., 1935 ...	35 9⅝	5 2½	6·50	30 15/16	70 0	220 9/32	6 5/16
Nov., 1936 ...	43 1½	4 11⅛	6·80	34 13/16	75 0	233 5/16	8⅝
Dec., 1936 ...	49 4⅛	5 11⅜	6·92	36	81 0	229⅛	9 11/32

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